



Committed to the future of rural communities.

## *Rural Development Community Programs Community Facilities Direct Loans*

### *Program Objective*

The Community Facilities (CF) Program provides loans to help construct, enlarge, or otherwise improve community facilities which provide essential services in rural areas and towns with populations of 20,000 or less.

### *Eligible Applicants*

- ◆ Nonprofit organizations (including associations, private corporations, or cooperatives) are eligible if they can demonstrate significant ties with the local rural community.
- ◆ Governmental entities such as towns, cities, counties, or special purpose districts such as hospitals, schools, or fire districts are eligible to apply for assistance through the CF program.
- ◆ Indian Tribes on Federal and State reservations and other federally recognized Indians tribes are also eligible.

### *Eligibility Requirements*

To be eligible for assistance, applicants must primarily serve rural areas defined as cities, towns, or unincorporated areas with a population of 20,000 or less for loans and or grants.

Potential applicants must provide certification they are unable to obtain other credit at reasonable rates and terms and are unable to finance the proposed project from their own resources.

Applicants must have the legal authority to construct the facility, issue security, and repay the debt.

Final control of the facility must remain with the borrower organization for the life of the loan.

The borrower may enter into a contractual agreement for management of the facility by a third party by contract management agreement.

### *Eligible Facilities*

- ◆ Some of the facilities and proposed projects eligible for assistance through the CF program include:
- ◆ Health Care services such as hospitals, out-patient clinics, rehabilitation centers, group homes, visiting nurse and home health care providers, nursing homes, assisted-living facilities, etc.
- ◆ Community, social or cultural services such as schools, libraries, community centers, social services buildings, museums, theaters and day-care facilities.

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- ◆ Fire, rescue, and public safety services such as fire stations, fire trucks, rescue vehicles, equipment, etc.
- ◆ Transportation facilities such as streets, buses, airports and hangars.

### *Eligible Purposes*

CF grant and loan funds can be used to construct, enlarge, expand, or otherwise improve facilities providing essential community services including construction of new facilities, purchase and renovations or expansion to existing facilities or expansion or improvements to facilities already owned by the applicant.

Other eligible uses include:

- ◆ the purchase of major equipment such as X-ray machines or fire trucks which will in themselves, provide an essential service to rural residents;



- ◆ costs of acquiring land, rights-of-way, or other evidence of land control necessary for development of the facility;
- ◆ reasonable fees and costs associated with completing the project such as legal, engineering, architectural, fiscal advisory, recording, environmental impact analyses, archeological surveys, and planning.

### *Interest Rate Determination*

There are three interest rate categories, each based on the median household income (MHI) of the project service area - determined from income data provided by the most recent 2000 US Census.

Please contact Community Programs for the current applicable interest rate.

### *Repayment Terms*

Loan terms will not exceed 40 years or the useful life of the facility financed.

Payments will coincide with income availability and in accordance with State law.

If State law permits only principal plus interest type bonds, annual or semi-annual payments will be used.

### *Application Procedure*

To receive detailed information and a Pre-application packet, please contact Rural Development at (406) 585-2540.

## ***Examples of Essential Community Facilities***

### **Community Health Care**

- Clinics
- Nursing Homes
- Rehabilitation Centers
- Hospitals
- Outpatient Care

### **Public Safety**

- Communications Center
- Fire and Police Stations
- Fire Trucks
- Jails
- Civil Defense Buildings

### **Public Buildings**

- Adult Day Care
- Child Day Care
- City Hall
- Courthouses
- Community Centers
- Community Health Centers
- Food Preparation Centers
- Public Maintenance Buildings

### **Cultural & Educational**

- College Campus/ Student Housing
- Libraries
- Museums
- Public Schools
- Vocational Schools

### **Transportation**

- Airport Hangars
- Bridges
- City Airports
- Street Improvements
- Sidewalks

